

MINUTE ITEM

3. (APPLICATION FOR A PILOT WATER FLOOD, P.R.C. 186.1, MONTEREY OIL COMPANY, SEAL BEACH, ORANGE COUNTY - W. O. 2940.)

After presentation of Calendar Item 30 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE REQUEST OF THE MONTEREY OIL COMPANY TO INITIATE A PILOT WATER FLOOD OF THE SHALLOW PRODUCING ZONE UNDERLYING OIL AND GAS LEASE P.R.C. 186.1, SUBJECT TO THE EXPRESS CONDITION THAT THIS APPROVAL SHALL NOT BE CONSTRUED TO MODIFY OR AFFECT IN ANY MANNER ANY OF THE LEASE TERMS, INCLUDING FULL COMPLIANCE BY THE LESSEE WITH ALL TERMS AND CONDITIONS OF OIL AND GAS LEASE P.R.C. 186.1 AND THE RULES AND REGULATIONS OF THE COMMISSION.

Attachment

Calendar Item 30 (1 page)

CALENDAR ITEM

SUPPLEMENTAL

30.

(APPLICATION FOR A PILOT WATER FLOOD, P.R.C. 186.1, MONTEREY OIL COMPANY, SEAL BEACH, ORANGE COUNTY, - W. O. 2940.)

Oil and Gas Lease P.R.C. 186.1 was issued September 24, 1945 pursuant to competitive public bidding in accordance with Division 6 of the Public Resources Code. Lease P.R.C. 186.1 is now held by Monterey Oil Company and The Texas Company, with Monterey Oil Company designated as operator.

On May 13, 1958 (Minute Item 7, page 4016) the Commission approved the construction by the Monterey Oil Company of a wharf adjacent to the drilling island located on Oil and Gas Lease P.R.C. 186.1 to accommodate operating equipment necessary to initiate a pilot water flood.

A request has been received from the Monterey Oil Company for approval of the initiation of a pilot water injection flood by drilling into the aquifer of the shallow producing zone west of the island drillsite. Additional wells may be necessary to complete the program, present consideration is for drilling a single well.

Studies made by the operator indicate that such a program would probably increase oil recovery and assist in maintaining reservoir pressures.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE REQUEST OF THE MONTEREY OIL COMPANY TO INITIATE A PILOT WATER FLOOD OF THE SHALLOW PRODUCING ZONE UNDERLYING OIL AND GAS LEASE P.R.C. 186.1 SUBJECT TO THE EXPRESS CONDITION THAT THIS APPROVAL SHALL NOT BE CONSTRUED TO MODIFY OR AFFECT IN ANY MANNER ANY OF THE LEASE TERMS, INCLUDING FULL COMPLIANCE BY THE LESSEE WITH ALL TERMS AND CONDITIONS OF OIL AND GAS LEASE P.R.C. 186.1 AND THE RULES AND REGULATIONS OF THE COMMISSION.